

NATIONAL RAILROAD PASSENGER CORPORATION

BOARD OF DIRECTORS

AUDIT & FINANCE COMMITTEE

MINUTES OF MEETING

MAY 16, 2018

The Audit & Finance Committee of the Board of Directors of the National Railroad Passenger Corporation (Amtrak or Corporation) met at the Corporation's headquarters located at 1 Massachusetts Ave, N.W., in Washington, D.C. on Wednesday, May 16, 2018.

Committee Members participating in the meeting were Anthony Coscia (Board Chairman) and Chris Beall. (Committee Chairman and Board Vice Chairman Jeffrey Moreland did not attend the meeting.)

Paul Nissenbaum (FRA Associate Administrator) participated in the meeting.

Eleanor D. Acheson (Executive Vice President, Chief Legal Officer, General Counsel & Corporate Secretary), William N. Feidt (Executive Vice President, Chief Financial Officer) and Stephen Gardner (Executive Vice President, Chief Commercial Officer) attended the meeting.

Carol Hanna (Vice President, Controller), Swati Sharma (Vice President, Treasurer), Laima Bashir (Vice President, Financial Planning), Joseph Donahue (Senior Director, Taxes and Licenses) and Kevin Winters (Deputy Inspector General) attended the meeting.

Sandy Goetz and Rene Salas from Ernst & Young (EY) attended the meeting.

Mr. Coscia chaired the meeting in Mr. Moreland's absence and called it to order at 10:05 a.m. The minutes were recorded by Ms. Acheson.

APPROVAL OF COMMITTEE MINUTES

Following discussion, upon motion made by Mr. Beall and seconded by Mr. Coscia, the Committee voted to approve the minutes of its March 21, 2018 meeting.

(2-0)

SCOPE AND PLANNING FOR FY 2018 AUDITS

Ms. Hanna reported on the plan for the FY2018 audit and indicated that there are three distinct phases of the audit work - a May/June period for planning and walkthroughs of key controls with a progress report to the Board in July 2018, a September/October period for testing of key controls when Amtrak is closing the books on FY2018 with an audit progress presentation to the Board in November, and a November through January year-end testing phase with the audit report to be issued no later than January 28, 2019.

Chairman Coscia asked about concurrence with respect to non-recurring items and about the accounting for any returned RRIF loan credit risk premium. Ms. Hanna responded and discussion followed.

Ms. Hanna noted for the Board's awareness that Amtrak Real Estate has invited EY to bid on an Amtrak procurement for advisory services with respect to Gateway financing and that EY's ability to proceed will be subject to independence due diligence.

EXECUTIVE SESSION

At 10:40 a.m., the Committee went into Executive Session with Ms. Goetz and Mr. Salas.

At 10:50 a.m., the Executive Session concluded, and Ms. Goetz and Mr. Salas left the meeting.

FY2018 GAAP RESULTS FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2018 AND WALKDOWN TO ADJUSTED OPERATING EARNINGS

Ms. Hanna walked the Committee through the Balance Sheet, Assets and Liabilities and Capitalization information; Mr. Feidt noted that Amtrak has pushed out its accounts payable schedule from 45 to 60 days. Ms. Hanna reviewed high level points of the three and six months GAAP operating results. Mr. Nissenbaum asked how far behind the FY2018 plan the Company is on a net-of-all-one-time-expenses basis, and Chairman Coscia asked about the Company's recovery strategy. Mr. Feidt estimated that the Company is about \$30 million off plan, net, and addressed steps to increase revenues and further reduce costs the Company is undertaking.

FY2019 ANNUAL OPERATING PLAN FOR DATES AND HIGHLIGHTS

Mr. Feidt introduced this topic, describing for the Committee the two major foundational pieces for the development of the FY2019 operating plan - the Company's six pillars and the FY2019 priorities for each, and the FY2019 Level of Operations; he noted that these two sets of

parameters will allow each function and department and, thus, the Company, to engage in essentially zero-based budgeting.

Ms. Bashir highlighted for the Committee the Company's FY2019 operating loss goal of \$100 million including a \$30 million operating leverage to offset any unforeseeable risks. She laid out the operating plan and capital plan targets and described the process and schedule for the 2019 operating plan development work and Board briefings and approval date.

TAX STRATEGIES

Ms. Hanna introduced this briefing on Amtrak tax issues, describing the Company's current tax situation and potential future tax exposure. Mr. Donahue reviewed possible opportunities to monetize Amtrak's tax attributes, create value for the Company and reduce tax exposure further through cost savings and legislative opportunities. Chairman Coscia asked about the potential for value in the Company's NOLs and through historic tax credits; Mr. Donahue and Ms. Hanna responded and discussion of both topics followed.

ENTERPRISE RISK MANAGEMENT

Mr. Feidt briefed the Committee with an update on ERM matters, including the Company's hiring of a Senior Director, Amtrak Controls position with a well qualified candidate, Mark Richards, his start date and the plan and schedule for management controls testing and enterprise risk prioritization for the remainder of the year.

QUARTERLY AMTRAK CONTROLS REPORT ON OPEN OIG AUDITS AND RECOMMENDATIONS

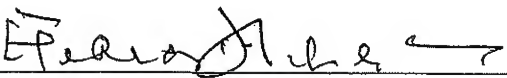
Ms. Hanna summarized the Company's progress to date, noting the reduction in open audits, total recommendations and recommendations over 24 months old.

EXECUTIVE SESSION

At 12:15 p.m., the Committee went into Executive Session.

ADJOURNMENT

There being no further business before the Committee, the meeting adjourned at 12:25 p.m.



Eleanor D. Acheson
Corporate Secretary

